



Housing Committee  
Public Hearing  
February 19, 2009

Testimony of Jeffrey Freiser  
Executive Director, Connecticut Housing Coalition

**Support:**

S.B. 867 - AN ACT CONCERNING STATE ASSISTANCE FOR PRESERVATION OF THE STATE HOUSING PORTFOLIO  
S.B. 868 - AN ACT CONCERNING PAYMENTS IN LIEU OF TAXES FOR PUBLIC HOUSING AND THE LOW AND MODERATE INCOME TAX ABATEMENT PROGRAM  
S.B. 869 - AN ACT CONCERNING AFFORDABLE HOUSING  
H.B. 5071 - AN ACT CONCERNING THE SUPPORTIVE HOUSING INITIATIVE  
H.B. 5072 - AN ACT APPROPRIATING FUNDS FOR CAPITAL IMPROVEMENTS AT STATE MODERATE RENTAL UNITS  
H.B. 5074 - AN ACT APPROPRIATING FUNDS FOR MODERATE RENTAL HOUSING  
H.B. 6143 - AN ACT CONCERNING PROTECTIONS FOR A TENANT WHOSE LANDLORD IS SUBJECT TO A FORECLOSURE ACTION  
H.B. 6144 - AN ACT CONCERNING A MORATORIUM ON MORTGAGE FORECLOSURE  
H.B. 6378 - AN ACT CONCERNING RELIEF FOR FAMILIES FACING FORECLOSURE

**Oppose:**

S.B. 865 - AN ACT CONCERNING THE LONG-RANGE STATE HOUSING PLAN  
H.B. 5296 - AN ACT CONCERNING HOUSING FOR HOMELESS VETERANS AND THEIR FAMILIES

The Connecticut Housing Coalition represents the broad, vibrant network of community-based affordable housing activity across the state. Our more than 250 member organizations include nonprofit developers, human service agencies, resident associations, and diverse other housing practitioners and advocates. Founded in 1981, the Coalition works to expand housing opportunity and to increase the quantity and quality of affordable housing in Connecticut.

► **S.B. 867 – AAC State Assistance for Preservation of the State Housing Portfolio**

Over 17,700 families, seniors and people with disabilities live in housing that was constructed with the help of state financing. They are working families with modest wages struggling to make ends meet and individuals living on fixed incomes – people who simply cannot afford safe and decent housing in the private rental market. Within our “state housing portfolio,” local housing authorities own and operate more than 13,000 units of state public housing, located in 98 cities, suburbs and small towns in every part of the state. As Connecticut strives to construct more housing to meet our pressing needs, we cannot afford to lose the affordable housing we already have.

Unfortunately, years of neglect by the state have left desperate problems. In 2006, the Connecticut Housing Finance Authority calculated the cost of emergency repairs alone, such as broken furnaces and leaking roofs, at \$28.3 million. CHFA determined that total capital

needs – including deferred maintenance, substantial rehabilitation and, where necessary, full revitalization – had reached \$479.5 million (and that amount is likely far higher today).

In 2007, you took an historic first step in addressing the problem, creating the State-Assisted Housing Sustainability Fund, with seed funding of \$10 million from the surplus. Unfortunately, after the Sustainability Fund disbursed approximately \$4 million, no additional assistance was provided. Some of the balance was allowed to lapse at the end of the last fiscal year, and most of the remainder was used to temporarily fund housing PILOTs and Tax Abatement Grants.

S.B. 867 would create a financing mechanism commensurate to the need. It would authorize the state to pay debt service on bonds issued by the Connecticut Housing Finance Authority, for the purpose of preserving our state housing portfolio. This is the same financing model, endorsed by the Governor and this legislature, to fund the Next Steps Supportive Housing Initiative, where it has been proven successful. CHFA projects that a commitment of \$29 million in annual debt service would allow it to raise \$440 million. (The balance needed would come from local housing authority reserves or other sources.)

Through this exciting initiative, we will be protecting over fifty years of state housing investments, safeguarding housing assets that would cost well over \$3 billion if they had to be replaced. And more than making a prudent financial investment, we will be honoring our commitments to more than 17,700 residents of state-financed housing.

► **S.B. 868 – AAC Payment in Lieu of Taxes for Public Housing and the Low and Moderate Income Tax Abatement Program**

Please reject the Governor's proposal to eliminate \$3.9 million for Payments-in-Lieu-of-Taxes for public housing and Tax Abatement Grants for nonprofit housing in the new state budget. Connecticut must not repeat the crisis of state-induced rent increases for some of our poorest families, the elderly and people with disabilities due to the elimination of this funding. For the past two years, these vulnerable residents lived with the threat, and in some cases the reality, of harsh rent hikes. You temporarily solved the problem twice, for FY 08 and FY 09, allowing rent increases to be rolled back and other increases to be averted – until now.

No other PILOT would be eliminated in the new budget – not for the Governor at her mansion, not for students in their dorm rooms, not for horses in the UConn stables. When Secretary Genuario appeared before the Appropriations Committee, in his briefing on the Governor's budget, he was asked about housing PILOTs. He replied that only a limited number of communities would be affected by this budget cut, and that his priority was aid to all communities. But this is precisely the wrong public policy message. Only those communities that had done the right thing and hosted affordable housing will incur this loss. Our State has a sorrowful record of promising incentives to towns that provide affordable housing, and then failing to honor those commitments. Please do not allow some of our state's most vulnerable residents to face a future of uncertainty, fear and unbearable rent increases.

Note: S.B. 868 should be amended to appropriate funding for PILOTs and Tax Abatement Grants in the second year of the biennium as well.

► **S.B. 865 – AAC the Long-Range State Housing Plan**

The Long-Range State Housing Plan, which DECD must prepare pursuant to C. G. S. Sec. 8-37t, is similar to the HUD-required Consolidated Plan for Housing and Community Development. We are sympathetic to the goal of reducing duplicative planning activities. However, the Long-Range State Housing Plan contains elements that are not within the federal Consolidated Plan, such as reporting and analysis of DECD's fair housing obligations. Further, we cannot predict whether HUD will modify or eliminate its planning requirements for DECD in the future. Therefore, we must preserve what is unique and important within our Long-Range State Housing Plan.

► **H.B. 5296 – AAC Housing for Homeless Veterans and Their Families**

We strongly support expanding housing opportunities for homeless veterans. However, H.B. 5296 does not effectively accomplish this purpose and would undermine broader affordable housing efforts. The bill would amend the Affordable Housing Appeals Procedure (C. G. S. Sec. 8-30g) to count "the principal residence of a veteran" toward the 10% exemption threshold. To well serve veterans with housing needs, we must assure that their housing is affordable – either through the requirements of a governmental assistance program or a long-term deed restriction. Such housing would already count in the 10% measure under current law. By counting housing units without affordability restrictions, we would be ill-serving our veterans and allowing exemptions from Sec. 8-30g for unaffordable housing.